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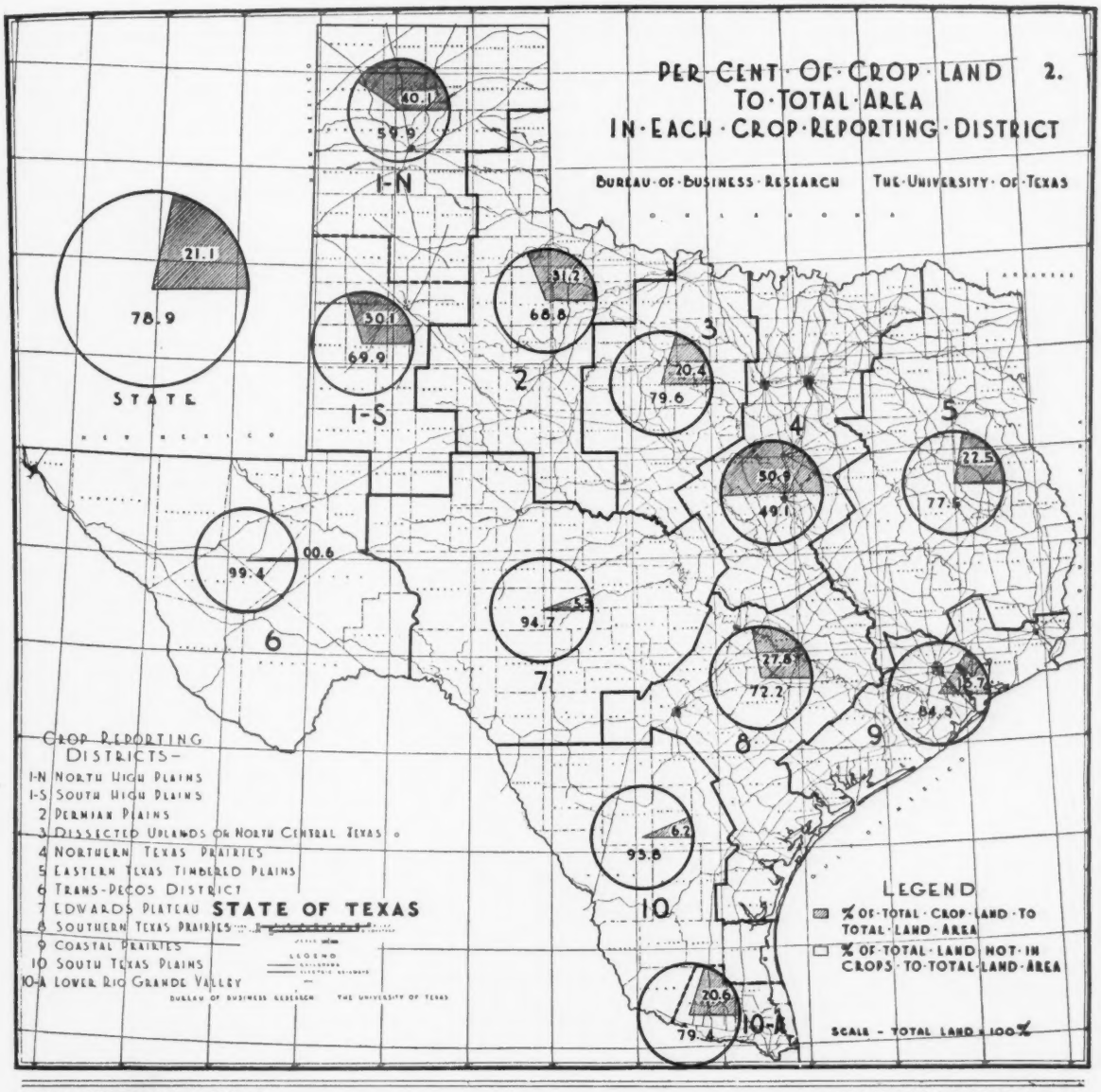

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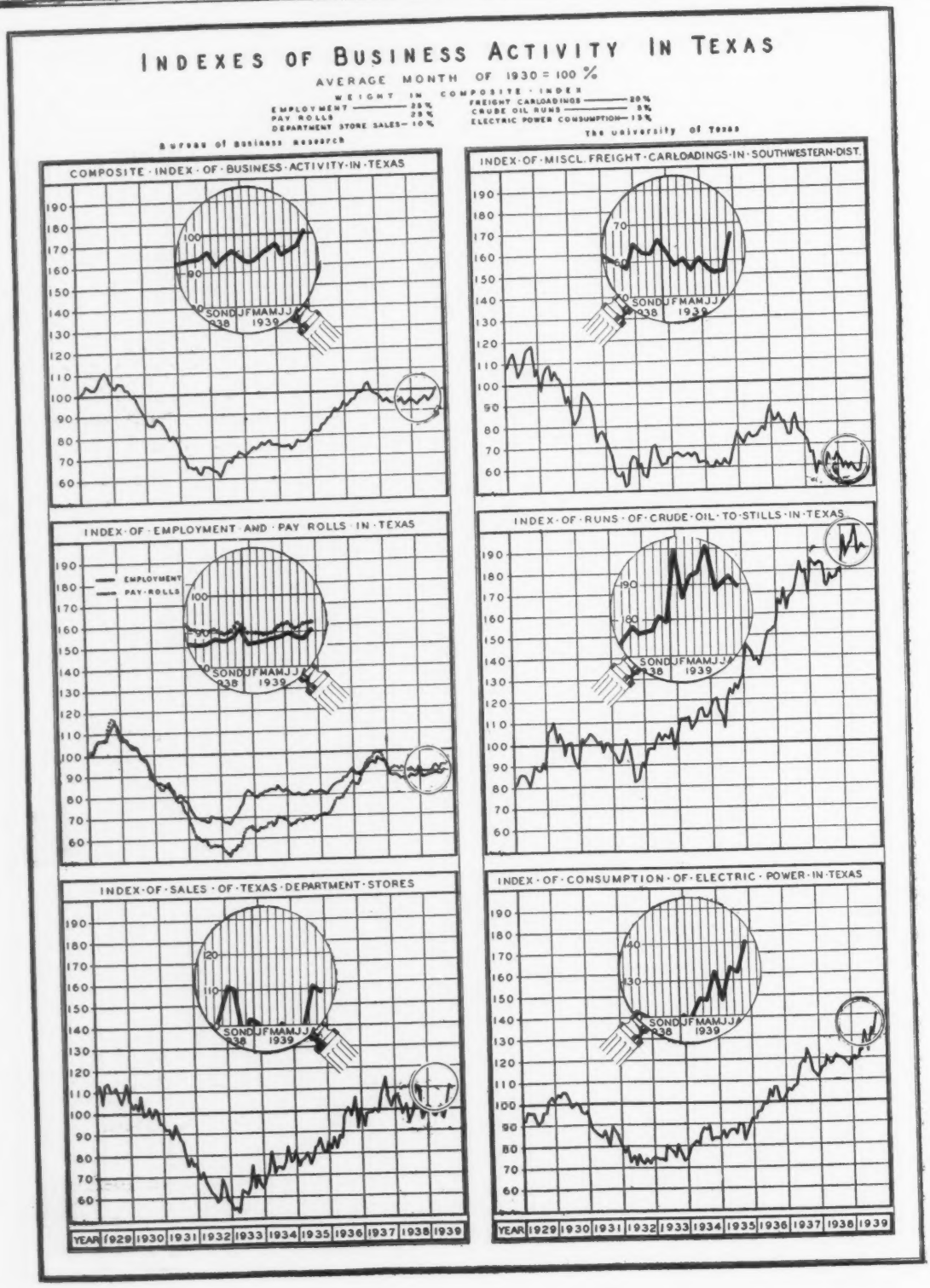
INDEXES OF BUSINESS ACTIVITY IN TEXAS
AVERAGE MONTH OF 1930 = 100 %
WEIGHT IN COMPOSITE INDEX
EMPLOYMENT 25%
PAY ROLLS 25%
DEPARTMENT STORE SALES 10%
FREIGHT CARLOADINGS 20%
CRUDE OIL RUNS 5%
ELECTRIC POWER CONSUMPTION 15%
Bureau of Business Research
The University of Texas
COMPOSITE INDEX OF BUSINESS ACTIVITY IN TEXAS
INDEX OF MISCL. FREIGHT CARLOADINGS IN SOUTHWESTERN DIST.
INDEX OF EMPLOYMENT AND PAY ROLLS IN TEXAS
EMPLOYMENT
PAY ROLLS
INDEX OF RUNS OF CRUDE OIL TO STILLS IN TEXAS
INDEX OF SALES OF TEXAS DEPARTMENT STORES
INDEX OF CONSUMPTION OF ELECTRIC POWER IN TEXAS
SONDJFMAMJJA
1938
1939
YEAR 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939

Business Review and Prospect

General Business

That business activity in the highly industrialized and commercialized areas of the North and East will continue at approximately the present high rate during the remainder of the year, at least, seems assured on the basis of orders now on the books, orders currently coming in, and inquiries which, in part at least, will result in purchases. Although the capital goods industries have made the sharpest advance since the outbreak of the European war, consumer goods industries also have made a favorable showing and give promise of gaining momentum as rising pay rolls in private industry and increasing farm cash returns add to the spendable income. The greatest advance in the consumer goods category may be expected in durable consumer goods, such as automobiles and household appliances, rather than in lines which furnish the necessities of life, such as food.

As to what the trend of business activity in this country is likely to be after the early months of 1940 few analysts hazard an opinion, except as they hedge themselves by assumptions most of which center about the probable duration, scope, and intensity of the war.

There is already much speculation as to the influence which the war has had upon the sharp upsurge of industrial activity since September 1, especially in the matter of inventory accumulations. Unfortunately, adequate official figures on current inventories (whether of industrial raw materials, manufacturing, semi-manufacturing, wholesale, or retail) are lacking, so that in this important realm of needed statistical information much is left to the imagination. The longer the war lasts and the more intense it becomes, even if confined within its present scope, the harder it will be for business leaders to determine how much of the increase in business activity in this country is attributable to war and how much to normal economic activities; and as a corollary to this fact, the more difficult it will be to readjust our psychology and economy to a peace-time basis when the warring nations finally come to agreement. Should this country ultimately be drawn into the conflict, the problems of adjusting our economy first to war and later to peace would, of course, be multiplied. It is this situation which has brought forth warnings from leading industrialists and labor leaders and has come in for much attention in the conventions of such trade associations as the United States Chamber of Commerce, the National Association of Manufacturers, and the American Bankers Association.

In considering the unparalleled rise in business activity in the North and East during the past six weeks, it is well to remember that a strong undercurrent of business improvement had begun to assert itself late last spring, as was pointed out in the opening paragraph of the June number of the Review. In fact, even the gradual decline in the national business curve, which had been taking place between November, 1938, and May, 1939, was being viewed at the time with more pessimism than the situation warranted, for the margin of improvement over the preceding year was quite favorable, and it was known that important business adjustments were in process during that period. Among these was the reduction of inventories. Thus, when the event actually occurred on September first, to which the business pessimism of almost a year had been ascribed—the outbreak of war—the reaction was opposite to that expected. As a result of the conservative business policies after the 1937 crash, inventories had constantly been reduced and commodity prices were approaching closely to their depression lows. It is this highly conservative business background of the past two years which has magnified the sharp industrial and commercial advances of recent weeks. We can only guess as to the current inventory situation, but we know positively that average commodity prices are still very low compared with the peak reached in 1937. It is, therefore, more probable than otherwise that if peace were soon to be restored in Europe on a constructive basis, only relatively minor business readjustments would be required in this country, and the upward business cycle begun last May, after a brief reversal would probably soon be resumed. This probability is based on the assumption that in the future sound economic policies will be developed in this country, and that more consistent coöperation between industrial and government leaders will evolve.

Texas Business

The business boom which has been gaining momentum in the commercial and industrial areas of the North and East during the past seven weeks is now being definitely reflected in Texas industry and trade, but as yet on a comparatively moderate scale. Whereas, Barron's index of industry and trade in the United States showed a gain of almost four per cent during the week ended October 14, the increase in Texas as measured by this Bureau's index was approximately four per cent during the entire month of September. The gain for Texas was, however, the best for any month in about two years and emphasizes the gradual upward trend in Texas business which has been noted in this column for several months.

Looking at the various factors that enter into the Texas business index, we find that during September there was an increase in non-agricultural pay rolls of 1.1 per cent, and a 2.4 per cent increase in the number of workers; miscellaneous freight carloadings increased more than 19 per cent; and electric power consumption gained almost 7 per cent. On the other hand, the index of department store sales and runs of crude oil to stills remained virtually unchanged from the preceding month after adjustment for seasonal variation.

The Texas composite business index for September, together with the six factors which compose it, are given in the following table with comparisons for the preceding month and the corresponding month last year.

For Other Texas Data, See Statistical Tables at the End of This Publication

INDEXES OF BUSINESS ACTIVITY IN TEXAS

	Sept. 1939	Sept. 1938	Aug. 1939
Employment	90.42	87.93	88.34
Pay Rolls	93.01	90.84	92.08
Miscellaneous Freight Carloadings (Southwest District)	67.41	65.15	56.47
Crude Runs to Stills	189.43	176.45	192.54*
Department Store Sales	109.41	110.27	110.74*
Electric Power Consumption	140.15	119.84	131.90*
COMPOSITE INDEX	100.75	95.55	96.88*

*Revised.

Farm Cash Income

Farm cash income in Texas during September as computed by this Bureau was about $80,000,000, compared with $75,000,000 during September last year—an increase of 6.67 per cent; and during the first nine months of the year the total computed farm cash income was approximately $291,000,000, as against about $285,000,000 during the corresponding period last year—an increase of more than 2 per cent.

When the $80,000,000 farm cash income during September this year is compared with the average farm cash income of the five Septembers during the base period 1928 to 1932, inclusive ($113,000,000), it is found to equal about 70.4 per cent of the latter figure. Much of this decline in farm cash income in Texas is the result of the drastic reduction in cotton production in all but one of the important cotton growing sections of the State. The one exception is the Southern High Plains of Northwest Texas (District 1–S), where the production is now considerably greater than the average in that area from 1928 to 1932.

The following table shows the wide variation in the index of farm cash income among the crop reporting districts of Texas in comparison with the average of the five September incomes from 1928 to 1932, inclusive.

INDEX OF AGRICULTURAL CASH INCOME IN TEXAS

Districts	Sept. 1939	Aug. 1939	Sept. 1938	Cumulative Income Jan.–Sept. 1939 (000 Omitted)	Jan.–Sept. 1938 (000 Omitted)
1–N	115.9	53.9	77.0	$ 24,883	$ 25,945
1–S	277.2	61.0	121.4	15,951	15,079
2	98.9	60.3	90.1	22,484	25,784
3	61.7	88.7	53.2	15,616	16,157
4	65.6	106.8	71.3	63,029	62,157
5	60.5	100.1	58.6	28,886	25,508
6	145.0	119.0	70.1	14,525	11,807
7	102.5	64.3	66.0	26,800	23,655
8	37.4	52.3	51.1	29,642	33,279
9	59.3	88.7	58.7	18,268	14,537
10	51.3	23.4	39.5	10,594	10,258
10–A	24.3	88.5	26.0	20,525	20,557
STATE	70.4	78.0	66.3	$291,203	$284,723

It will be noted in the above table that in only one crop reporting district of the State does an area which ranks high in cotton production make a favorable comparison with the base period; this area is District 1–S (the Lubbock area) where the index of farm cash income is nearly three times that of the base period. A considerable part of this favorable showing is the result of unusually large September ginnings in this district, a consequence of rapid maturing of the crop on account of the drouth and excessive heat. Ordinarily, the peak of farm cash income in this district comes in October, but this year in all probability it will later be seen to have occurred in September.

The other areas of the State which made good showings during September compared with the base period as reflected in their respective September index numbers were the Edwards Plateau (District 7), the Trans-Pecos country (District 6), and the Northern High Plains (District 1–N). These areas derive a large proportion of their income from livestock and livestock products, including wool and mohair. Not only were the marketings of these products on a high level during September, but prices strengthened materially after the outbreak of war in Europe—especially for wool and mohair—with a resultant substantial gain in cash income.

Manufacture of Dairy Products in Texas

Among the industries which are expected to furnish a growing market for Texas agricultural raw materials are creameries, cheese factories, concentrated milk and ice cream plants. The Bureau of Business Research maintains close contacts with these establishments throughout the State so that the output of the various products made by these establishments are estimated each month with a considerable degree of accuracy. Even more important, detailed statistical and related information covering a period of more than ten years has been prepared by the Bureau and made available to the industry and the public generally in published form.

Future rate of growth of these industries in Texas will probably be largely determined by their ability to supply consumers with dairy manufactured products as good in quality and as low in price as do the establishments in states which are now supplying the bulk of the market. Among important items of cost in the manufacture of these products are salaries and wages of employees; together with costs of materials, supplies, fuel, and purchased electric energy. Comparison of these items in a selected group of states from data obtained from the United States Bureau of the Census reveals some significant differences in costs among the states under consideration. These data are shown in the form of averages and percentages in the tables below:

CREAMERIES—1937

	Texas	Minnesota	Iowa	Wisconsin	Tennessee	Kentucky	Mississippi
Average Salaries	$1,690	$1,165	$1,189	$1,143	$1,388	$1,495	$1,350
Average Wages	819	1,086	954	1,020	878	774	702
Ratio of Salaries to Total Value of Products	2.10%	0.94%	1.09%	0.95%	1.95%	1.82%	2.46%
Ratio of Wages to Total Value of Products	3.54%	2.98%	2.60%	3.05%	3.16%	2.98%	3.67%
Ratio of Cost of Materials, Supplies, Fuel, and Electric Energy Purchased to Total Value of Products	82.82%	89.88%	89.73%	88.71%	86.95%	81.69%	82.69%
Ratio of Salaries, Wages, Materials, Supplies, and Electric Energy Purchased to Total Value of Products	88.47%	93.80%	93.41%	92.71%	92.05%	86.48%	88.82%

ICE CREAM—1937

Average Salaries	$1,851	$2,266	$1,305	$2,024	$1,743	$1,912	$1,714
Average Wages	894	1,314	1,056	1,142	869	835	805
Ratio of Salaries to Total Value of Products	4.92%	5.48%	2.44%	4.83%	6.12%	6.16%	5.43%
Ratio of Wages to Total Value of Products	8.85%	9.10%	5.99%	8.13%	8.52%	6.49%	8.25%
Ratio of Cost of Materials, Supplies, Fuel, and Electric Energy Purchased to Total Value of Products	54.14%	53.10%	54.94%	55.72%	55.02%	46.46%	46.61%
Ratio of Salaries, Wages, Materials, Supplies, and Electric Energy Purchased to Total Value of Products	67.91%	67.67%	63.37%	68.68%	69.67%	59.11%	60.29%

CHEESE FACTORIES—1937

Average Salaries	$1,565	$ 964	$1,230	$1,311	$ 938	$1,024	$1,135
Average Wages	787	1,083	855	904	866	726	910
Ratio of Salaries to Total Value of Products	3.02%	0.86%	1.67%	0.17%	0.97%	2.39%	1.35%
Ratio of Wages to Total Value of Products	4.47%	5.38%	2.83%	2.92%	4.16%	5.08%	4.33%
Ratio of Cost of Materials, Supplies, Fuel, and Electric Energy Purchased to Total Value of Products	81.40%	83.45%	84.02%	87.34%	84.17%	77.87%	80.01%
Ratio of Salaries, Wages, Materials, Supplies, and Electric Energy Purchased to Total Value of Products	88.89%	89.69%	88.53%	90.43%	89.30%	85.34%	85.69%

It will be noted that in the manufacture of butter and cheese, the percentage of the total value of the products manufactured paid in wages and salaries is greater in practically all cases for the four states south than in the three states north of the Mason and Dixon Line. On the other hand, the percentage of the total value of these products which goes for payment of materials, supplies, fuel, and electric energy purchased by creameries and cheese factories is greater in practically all cases for the three northern than for the four southern states; and the same statement holds true for the percentage which goes to all of the foregoing items combined—salaries, wages, materials, supplies, fuel, and electric power purchased—in relation to total value of products.

In the manufacture of ice cream no such definite generalization as between the northern and southern states can be made concerning the relative amount paid for salaries, wages, materials, supplies, fuel, and electric energy purchased in comparison with the total value of the product. This situation arises from the fact that the economics of the ice cream industry is closely related with population centers; whereas, the capacity of a state or region to produce forage crops economically is the primary basis for the creamery and cheese industries. Thus, the ratios computed for ice cream production in Iowa, with a relatively large rural population, correspond more closely to those of Kentucky and Mississippi than to Minnesota and Wisconsin, which have a larger relative urban population; while the percentages for Texas and Tennessee correspond more closely with those of Minnesota and Wisconsin than to those of Kentucky and Mississippi.

F. A. Buechel.

Financial Review

Although the mild form of war hysteria that characterized financial markets during the first two weeks of September has temporarily abated somewhat, war developments have continued to influence the course of business and financial activity. The peace overtures of the German Government which—at this writing—appear to be fruitless, exerted a restrictive effect upon some financial markets; subsequent intensification of Nazi military activity, following British and French rejection of the peace proposals, was accompanied by a quickening pace in share trading and prices. The acrimonious Senate debate on neutrality legislation and the failure of the Administration to obtain prompt acceptance of the "cash and carry" proposal, injected a further note of uncertainty into the picture.

It is natural that the people of a neutral nation should evince interest in the progress of the war, and it is inevitable that business of the neutral nation will be strongly affected by happenings in the European arena. However, it is of the utmost importance that we do not lose sight of the fact that we *are* a neutral nation, that is, presumably, a nation lending no active assistance to any or either belligerent. Perhaps it is impossible to achieve neutrality in such a complete sense, but, for the nation that is determined not to become involved in the struggle, full neutrality is essential. Moreover, we should not lose sight of the fact that, after six years of experimentation, domestic problems of the first magnitude still await solution.

The Commercial and Financial Chronicle of October 14 offers an editorial comment that deserves emphatic restatement. "We are devoting too much time to what is taking place in Europe and too little to tasks which await us at home. . . . The United States is not at war; neither its domestic situation nor its foreign relations, present or prospective, are likely to lead to offensive action by any foreign power or to justify military measures against any putative enemy anywhere." The National Association of Manufacturers, with a membership of 7,000, comprising all leading manufacturers, unanimously subscribed to the statement that although Europe's problems do affect us, our domestic problems still must come first. The reaction of business, industrial, and financial leaders against unjustified price increases, war profits, and diversion of American thought and action from domestic problems to the uncertain, unstable war business, represents one of the most favorable developments to emerge from an exceedingly complex and dangerous situation.

The foregoing paragraphs may appear to be somewhat general, and lengthy, as an introduction to what purports to be a brief financial review. However, the choice of policy which the business and political leaders of this country elect to follow during the next several months will largely determine financial developments. Furthermore, no matter what this country's future course of action may ultimately be, our position will be immeasurably stronger, if we have been able, in the meantime, to accomplish a sound rehabilitation of the domestic economic system.

The most vulnerable point in our financial system is in the realm of government finance. For six years, the Government has taken no steps toward putting its financial house in order. On the plea of "emergency," the Administration's only answer to critics of their fiscal policy has been more deficit financing. Is the outbreak of the European war to be used as another "emergency" to justify a continuation of the old practice of piling debt upon debt? Or, will our political and governmental leaders finally recognize the dangers that attend their policy? If large government expenditures, arising from the potential danger of involvement in the war,—or for other reasons—continue to be met by printing bonds which are transformed into bank credit by being shifted to the banking system, it should be obvious even to the gullible that the outcome threatens to be repudiation. Furthermore, if the Government, through deficit financing, competes with a reviving private industry in the demand for goods, price inflation threatens to be the probable outcome.

A second problem confronting financial authorities arises in connection with an expansion of our foreign trade with Latin American nations. Undoubtedly, the war has presented American industry with an opportunity to gain foreign markets formerly supplied by the belligerents. Moreover, such trade is more to be desired than trade with the belligerents, for it offers the opportunity of establishing permanent trading relations which, if soundly established, need not vanish with the cessation of hostilities. But, how is such trade to be financed? What are we to receive in return for our exports? Surely not gold, for the gold holdings of the Latin American countries are negligible. Unfortunately, we have an abundance of many of the agricultural and mineral products these countries can offer. Although the United States had an import balance, in 1937, with the Latin American group of countries, being debtor nations their export surplus was needed to balance their foreign accounts. Consequently, our actual access to these markets depends, largely, upon any one, or all, of three developments: namely, their ability to maintain the volume of their exports to England and France, our willingness to extend trade credits to them, or to use a part of our gold hoard as gold loans.

Although the ability of the Administration is limited at present by prior commitments of the Export-Import Bank's funds, President Roosevelt recently stated that he would request Congress to extend the Bank's lending authority from its present $100,000,000 to $500,000,000 in order to aid in financing Latin American trade. Moreover, it may be that the R. F. C. will participate in financing export trade indirectly, by making loans to private agencies engaged in financing exports and imports. Finally, the possibility of gold loans, to stabilize Latin American currencies in terms of the dollar, has been intimated by President Roosevelt. *The Wall Street Journal* takes the position editorially that "almost any use to which part of our swollen gold hoard could be put is worth serious examination. Whatever part of it we can segregate in prudent arrangements to stabilize currencies in the western hemisphere, moreover, will diminish the 'explosive' potentialities of our metal credit base which still more or less trouble the economists' mind."

Past experience of American foreign credits and gold loans, of course, prejudice the case against a repetition of the practice. However, past losses do not prove that foreign loans are inherently undesirable, but, rather, that inevitable losses resulted when mal-practices were committed and uneconomic loans made. Furthermore, a re-distribution of a part of our vast gold hoard is not only desirable, but necessary, if the yellow metal is to function as an international monetary medium. Gold cannot continue indefinitely to move in one direction and retain its maximum value. If investigation reveals that gold loans can be made to Latin American nations on a sound economic basis, and that international trade relationships can be established on a basis which reasonably insures ultimate repayment of the loans, there should be no criticism of the policy. In the long run, however, the real basis of international trade—i.e., the exchange of goods—must prevail; therefore, if the United States expects to increase its foreign markets in South America, it must be prepared to increase its imports from that region.

The situation in the capital markets, in respect to the flow of new capital into private industrial uses, continues to show little change. Although a few refunding issues have reached the market in recent weeks, new capital issues have been negligible. For several years, private industry has postponed equipment replacements and plant additions, with the consequence that idle funds have piled up in commercial banks or have been diverted into public channels. However, the recent revival in the capital goods industry, and in industrial production, may be followed by a larger flow of investment capital. Whether or not such a development occurs depends on ability to move the new goods into consumption. A reaction in the rapid advance of industrial production —which now approaches the best level of 1936—perhaps should be expected, but certain factors appear to be favorable from the standpoint of underlying trend.

For example, although there has been some inventory accumulation since the first of September, it should be remembered that inventories were at such an abnormally low level that considerable expansion was possible without causing an over-extended position. The factors underlying the inventory accumulation of September were a fear of sharp price increases and the anticipation of war orders, but, to date, neither development has materialized on a significant scale. Inventory statistics are admittedly inadequate, but what evidence is available does not seem to indicate much more than fulfillment of year-end requirements.

The stimulus to railroad activity is especially favorable. For some time now, the railroad industry has been in urgent need of new equipment, but sluggish and uncertain business conditions have retarded any extended replacement program. Freight carloadings reached a nine year high in the week ending October 13. Statistics of carloadings for the past 15 years indicate that if the high is reached after the first week in October, the volume for the remainder of the year will run ahead of the figures of the preceding year. Considerable expenditures are being made, at present, on equipmnt programs which, if the present volume of traffic is maintained, are likely to be substantially increased.

The possibility of an increase in American export trade is also favorable. While war developments will undoubtedly influence the nature of our exports, it is not improbable that either, a continuation of the war, or a peaceful settlement of differences will react favorably on our foreign trade. A long war is likely to result in an increase in American exports to the belligerent nations, either directly, or by indirect subterfuge. Furthermore, American industries will be called upon to supply neutrals with many of the products which they formerly obtained from the warring nations. As stated earlier in this article, the neutral trade is more desirable, even though it may pose financial problems which must be worked out. On the other hand, in the event of a peaceful settlement of the international situation, the general economic problem—including monetary stabilization and foreign trade—must be worked out on a sounder basis if the peace is to be any more than a mere armistice.

If these, and other, favorable factors predominate, and the trend of business and industrial activity continues to advance, even, perhaps, at a more desirable slower pace, it is almost certain that idle capital will be drawn into productive use.

WATROUS H. IRONS.

The Citrus Fruit Industry in Texas

WITH STATISTICAL DATA ON PRODUCTION FOR CAMERON, HIDALGO, AND WILLACY COUNTIES

A report of the United States Department of Agriculture regarding trends of production for the thirteen major fruit crops for the United States indicates that citrus fruit produced during the five-year period, 1934–38, ranked second only to that of apples, which have for many years been the leading fruit crop for this country, and that while production of citrus fruits was increasing far more rapidly than any other type of fruit, production of both apples and peaches has been downward for more than a decade. Average production of all fruits for the next five years following the trends of the last five years will result in citrus fruit production far in excess of any other type of fruit produced in this country.

At present Texas ranks second in production of grapefruit in the United States and third in production of oranges, but since there are more than 7,000,000 citrus trees in Texas, of which 5,288,000 are grapefruit trees, and it is estimated that ninety per cent of these trees have not yet reached full production, it is obvious that the general upward trend of Texas citrus fruit production will continue for several years, at least, unless artificial means for restricting production are taken.

Consumption of citrus fruits in all parts of the world has been definitely upward for more than ten years and although the United States produces about one-half of the world's supply, all but approximately ten per cent of the citrus fruit produced in the United States is consumed in this country. World markets outside of this country are still supplied largely by Spain, Italy, and, in recent years, by Palestine and Brazil. Consumer demand has increased in the United States fairly evenly and an even greater increase in per capita consumption of citrus fruit by the American market is a reasonable expectation. United States exports of citrus products have increased but not in proportion to the increase in production, and no doubt the declining prices which have accompanied expanding production have contributed considerably to the increased per capita consumption of domestic markets.

Expanding production in the Lower Rio Grande Valley is illustrated by Table I which shows shipments of citrus fruits, converted to carlot equivalents, for the three principal citrus fruit producing counties in the Lower Rio Grande Valley—Cameron, Hidalgo, and Willacy—by rail and boat from 1928 to 1938. Using the 1928–29 figures on total shipments, shown in Table II, as a basis for computing the changes for each of the succeeding ten years, the percentage changes are as follows:

PERCENTAGE CHANGE IN TOTAL SHIPMENTS SINCE 1928–29

SEASON FOR CAMERON, HIDALGO, AND WILLACY COUNTIES

Season	Grapefruit	Oranges	Mixed
1928–29	----	----	----
1929–30	116.0	372.7	172.3
1930–31	39.0	254.5	56.5
1931–32	229.8	506.1	182.6
1932–33	65.8	309.1	49.5
1933–34	0.3*	93.9	32.6*
1934–35	163.9	330.3	2.7
1935–36	134.3	872.7	193.5
1936–37	147.5	5,172.7	917.4
1937–38	652.7	2,397.0	451.1
1938–39	791.2	3,448.5	728.3

*Negative.

Table II represents rail, truck, and boat shipments for the three counties combined. It will be noted that shipments by truck, which began about eight years ago and which serve largely intrastate points, increased sharply during the 1938–39 season, the record citrus crop year. The percentages of shipments made by rail, truck, and boat are given in Table III.

TABLE I

Carlot Shipments of Texas Fruits, 1928–38, by Rail and Boat

Season	Cameron County			Hidalgo County			Willacy County		
	Grapefruit	Oranges	Mixed	Grapefruit	Oranges	Mixed	Grapefruit	Oranges	Mixed
1928–29	572	7	92	1,044	26	92	....	....	....
1929–30	1,253	85	245	2,224	70	256	14	1	....
1930–31	901	51	160	1,343	66	128	3	....	....
1931–32	1,460	66	198	3,867	133	318	2	1	4
1932–33	636	36	66	2,043	66	209	....	....	....
1933–34	56	....	....	1,555	64	124	....	....	....
1934–35	808	24	35	3,456	115	154	....	3	....
1935–36	913	97	148	2,873	224	392	....	....	....
1936–37	3,767	496	627	9,829	1,241	1,239	99	3	6
1937–38	2,764	240	337	9,367	584	677	32	....	....

Note: Boat Shipments Converted to Carlot Equivalents, Truck Shipments by Counties Not Available, 1938-39 Shipments by Counties Not Available.
Source: *U. S. Department of Agriculture, Bureau of Agricultural Economics, Division of Fruits and Vegetables.*

TABLE II

Carlot Distribution by Methods Used in Shipping Texas Citrus Fruits, 1928–39

Season	Rail Shipments			Truck Shipments		Boat Shipments			Total Shipments		
	Grapefruit	Oranges	Mixed	Grapefruit	Oranges	Grapefruit	Oranges	Mixed	Grapefruit	Oranges	Mixed
1928–29	1,616	33	184	....	....	....	....	....	1,616	33	184
1929–30	3,491	156	501	....	....	....	....	....	3,491	156	501
1930–31	2,247	117	288	....	....	....	....	....	2,247	117	288
1931–32	5,329	200	520	1,853	45	....	....	....	7,182	245	520
1932–33	2,679	102	275	1,399	95	....	....	....	4,078	197	275
1933–34	1,611	64	124	1,271	900	....	....	....	2,882	964	124
1934–35	4,264	142	189	1,706	1,091	....	....	....	5,970	1,233	189
1935–36	3,776	321	540	1,409	1,172	10	....	....	5,195	1,493	540
1936–37	13,499	1,725	1,870	2,595	2,337	196	15	2	16,290	4,077	1,872
1937–38	11,989	820	1,014	2,684	1,917	174	4	....	14,847	2,741	1,014
1938–39	13,813	1,161	1,524	5,149	4,663	589	10	....	19,551	5,834	1,524

Note: Rail, Boat, and Truck Shipments are All Expressed in Carlot Equivalents.
Source: *U. S. Department of Agriculture, Bureau of Agricultural Economics, Division of Fruits and Vegetables.*

TABLE III

Percentage of Total Grapefruit, Orange, and Mixed Citrus, Shipments by Rail, Truck, and Boat, 1928–39

Season	Grapefruit			Oranges			Mixed Citrus		
	Rail	Truck	Boat	Rail	Truck	Boat	Rail	Truck	Boat
1928–29	100.0	....	....	100.0	....	....	100.0	....	....
1929–30	100.0	....	....	100.0	....	....	100.0	....	....
1930–31	100.0	....	....	100.0	....	....	100.0	....	....
1931–32	74.2	25.8	....	81.6	18.4	....	100.0	....	....
1932–33	65.7	34.3	....	51.8	48.2	....	100.0	....	....
1933–34	55.9	44.1	....	6.6	93.4	....	100.0	....	....
1934–35	71.4	28.6	....	11.5	88.5	....	100.0	....	....
1935–36	72.7	27.1	0.2	21.5	78.5	....	100.0	....	....
1936–37	82.9	15.9	1.2	42.3	57.3	0.4	99.9	....	0.1
1937–38	80.8	18.1	1.2	29.9	69.9	0.1	100.0	....	....
1938–39	70.7	26.3	3.0	19.9	79.9	0.2	100.0	....	....

Source: Computed by *Bureau of Business Research, University of Texas,* from Data Published by the *U. S. Department of Agriculture.*

TABLE IV

Percentage of Total Grapefruit, Orange, and Mixed Citrus Shipments from Cameron, Hidalgo, and Willacy Counties, by Seasons, 1928–39

Season	Cameron County			Hidalgo County			Willacy County		
	Grapefruit	Oarnges	Mixed	Grapefruit	Oranges	Mixed	Grapefruit	Oranges	Mixed
1928–29	35.4	21.2	50.0	64.6	78.8	50.0	....	....	....
1929–30	35.9	54.5	48.9	63.7	44.9	51.1	0.4	0.6	....
1930–31	40.1	43.6	55.6	59.8	56.4	44.4	0.1	....	....
1931–32	27.4	33.0	38.1	72.6	66.5	61.1	....	0.5	0.8
1932–33	23.7	35.3	24.0	76.3	64.7	76.0	....	....	....
1933–34	3.5	....	....	96.5	100.0	100.0	....	....	....
1934–35	18.9	16.9	18.5	81.1	81.0	81.5	....	2.1	....
1935–36	24.1	30.2	27.4	75.9	69.8	72.6	....	....	....
1936–37	27.5	28.5	33.5	71.8	71.3	66.2	0.7	0.2	0.3
1937–38	22.7	29.1	33.2	77.0	70.9	66.8	0.3	....	....

Source: Computed by *Bureau of Business Research, University of Texas,* from Data Published by the *U. S. Department of Agriculture.*

Increase in boat shipments from the equivalent of ten carloads in 1935–36 to 599 carloads in 1938–39 represents to a large degree the results of improved shipping facilities offered by the Port of Brownsville now made available to Valley shippers. Water transportation is being employed for the movement of fresh fruits as well as for canned goods. The offices of the United States Engineer report that vessel traffic for the Port of Brownsville increased from 39,193 tons, valued at $4,335,176 in 1936 to 97,527 tons, valued at $11,773,612 in 1938.

The canning of surplus fruit has afforded a valuable outlet for large quantities of fruit which could not be shipped profitably in fresh form and also to supply a growing market demand for canned citrus fruit products. Of the total grapefruit crop for Texas and Florida in 1937–38, approximately forty-three per cent was used in canning grapefruit juice and grapefruit segments. There is a large potential export as well as domestic market for grapefruit products and it is expected that the canning industry will develop into one of substantial importance to growers in the Valley as marketing problems are solved and Texas products continue to become better known throughout the country.

Texas has more than forty per cent of the total citrus trees in the United States, and in order to insure a fair return to Texas growers of citrus fruits for increasingly larger productions, marketing practices and distribution methods must keep pace with production.

Although approximately ninety-nine per cent of the citrus fruit produced in the Lower Rio Grande Valley comes from Hidalgo and Cameron Counties, Willacy and other bordering counties produce appreciable amounts. These counties, other than Willacy, are not shown as the amounts produced are not in sufficient commercial quantities to include in an analysis of individual county production. Table IV illustrates the relative proportion of production for the three counties mentioned.

CARROLL BROWN and CLARA H. LEWIS.

Public Merchandise Warehousing in Texas

Public merchandise warehouses may be defined as specialized storage and handling organizations used for the storage of merchandise and certain commodities by manufacturers, or other shippers, as well as by receivers of goods until these goods are required by retailers, distributors, or industrial and household consumers. Goods as a rule do not remain in these warehouses for any length of time, so such warehouses are sometimes referred to as distribution warehouses. These warehouses are really service links between producer and consumer with goods circulating through them or held for safe keeping for short periods of time at the demand of the depositor.

There are ninety-five public warehouses offering general merchandise storage and distribution in Texas. These are located in the cities listed in Table I. This table shows the number of warehouses exclusively devoted to handling and storing merchandise and those doing a combined merchandise and household-goods storage business. It will be noted that in Texas the public warehouses engaged in both general merchandise and household goods operations are more important than are those doing an exclusive merchandise business. This combined type of business is particularly noticeable outside of larger cities, since in centers of population and distribution the warehousing industry is more highly specialized. In most cases where a combined merchandise-household goods operation is conducted, it is impossible to tell what portion of its space is used exclusively for one purpose or the other.

For many years the warehousing of general merchandise was looked upon as more or less of a convenience made available to shippers who had large consignments to store over comparatively long periods. Unfavorable market situations, with correspondingly increasing factory inventories usually meant good business for the public merchandise warehouseman. On the other hand, when manufactured goods were moving freely to consumers the public warehouseman doing a merchandise storage business did not enjoy the same measure of prosperity.

It was not until the time of the World War that the general merchandise warehouse, as we know it today, began to develop. This country was supplying the markets of the world and at the same time meeting domestic requirements. Manufacturing plants became congested and relief was sought and found through the use of public warehouses enroute to the points of effective consumption. Trainloads of various products for storage at strategic marketing centers were frequently seen. This was an era of good times for the general merchandise warehousemen throughout the country, and this increase in business was the means of placing most of the old-established warehousing organizations on a profitable basis. It also resulted in the start of many new warehousing enterprises for the storage and handling of general merchandise.

Then came the period when the large war-stimulated stocks were liquidated, when manufacturers cut production to current needs and business proceeded along more normal lines. When this change took place it became necessary for general merchandise warehousemen to concentrate on ways and means of securing business in order to keep their facilities operating profitably and as near capacity as possible. The desire of the warehousing industry was to create business that would better stabilize warehouse performance and warehouse earnings over a period of time. At this point the idea of national distribution through general merchandise warehouses was already in favor with some manufacturers. One solution of the warehousemen's problem seemed, therefore, to lie in attracting more manufacturers in all lines to adopt this method of distributing their products particularly in areas distant from factories. In this, the general merchandise warehousemen of the country were quite successful, since the system of distribution they offered manufacturers met current and developing market needs. Manufacturers came to use public merchandise

warehouses in handling their distribution rather than establishing their own private facilities, to accomplish the same purpose, for the following reasons:

1. First class public warehouses give a type of service which manufacturers cannot economically establish in all the cities in which they carry stocks.
2. There is no need to enter into long-term leases or permanent real estate obligations when public warehouses are used.
3. It is easier to finance merchandise stored in public warehouses.
4. It is possible to expand at peak seasons with a minimum fixed expense, since storage space in public warehouses is much more flexible than in private warehouses.
5. No preliminary work is necessary before establishing a stock.
6. No management of the warehouse is necessary and no material changes are needed at the plant of home office when stocks are placed in public warehouses. Branch sales managers are not hampered in selling work because of the problems of building operation and maintenance—they and their men need do nothing but sell.

Distribution, as distinguished from pure storage, involves the shipping of merchandise at regular intervals in carloads to public warehouses located at favorable freight-rate breaking points to be re-shipped in small lots, either by rail or motor truck, to nearby points at once or soon after arrival at a warehouse. This is in contrast to shipping many carloads of the same commodity to the same point, at the same time, to be kept in the warehouse indefinitely until a market becomes favorable to advantageous sales. Distribution through general merchandise warehouses means steady movement, rapid turnover, and business that the warehouses can depend on throughout the year. Pure storage is either a seasonal movement or the result of over-production, with correspondingly slower turnover of warehoused stocks.

The result of the adoption of public warehouse distribution is that the general merchandise warehousing industry of the country, and particularly of the Southwest, has had a greater and more rapid development in recent years than ever before in its history. Rather than being merely a storage plant, the modern general merchandise warehouse has now become an essential link in the distribution of commodities of all kinds. Undoubtedly, the future will see an even more extensive use made of warehouse distribution services and facilities.

Public merchandise warehouses are found at the most strategic locations from a distribution standpoint, which accounts for the centralization in the Dallas-Fort Worth and Houston areas, but they are also found in other cities throughout the state where freight rates and other market conditions favor their use. The largest users of general merchandise warehouse services are manufacturers and other producers, brokers, and distributors of various types. Wholesalers and retailers also frequently make use of public warehouses when they buy in large quantities and lack adequate storage facilities, or if they wish to make use of financing by means of warehouse receipts. The balance of the merchandise handled by these warehouses comes from miscellaneous business organizations that buy in large quantities but possess little storage space, such as newspapers and other publishers, hotels, hospitals and local manufacturers using certain raw materials adapted to this type of storage. It has been estimated that from 50 to 80 per cent of the merchandise handled in public warehouses originates outside the immediate areas in which they may be located. The warehouse inventory generally includes a large variety of items from widely divergent sources, depending on the warehouse location.

The public merchandise warehouses of the country have between 3,000 and 3,500 actual users of their services to solicit for business. This number includes only manufacturers, brokers, producers and distributors who are using at least one or more warehouses outside the cities in which their headquarters are located. The public merchandise warehouses of Texas obtain a very large amount of storage and distribution business from manufacturers and others who are located in the Northeastern and Central Western sections of the United States. As is shown in Table II, New York State, including New York City, accounts for 31% of the total stock carried in Texas public merchandise warehouses. Illinois, including Chicago, comes next in importance with 18% of the stocks carried by out-of-state manufacturers.

Today, the proper use of general merchanise warehouses as media of transportation is one of the most important links in the process of distribution tending to reduce costs. The transportation services of these warehouses are based largely on two things: (1) The spread between carload and less-than-carload freight rates. (2) The spread between through freight rates and the combination of two or more local rates.

One cost of transportation—the difference between carload and less-than-carload freight rates—may be eliminated through the use of pool or consolidated cars. Freight rates on nearly all commodities are lower for carload than for less-than-carload shipments. Items of general merchandise which take the first class rating when shipped in less-than-carload lots often take third class or lower ratings in carload quantities. It often happens that in pooling several long-distance shipments of the same commodity into one carload, and then consigning the car to a public warehouse for local distribution in less-than-carload lots by rail or motor truck, the difference in freight charges is enough to pay all warehouse charges for storage and handling and leave a margin of unexpected profit which frequently amounts to considerable per car.

The use of public warehouses for the distribution of pool or consolidated cars has been steadily increasing since the railroads, in most parts of the country, have liberalized their "stopping-transit-to-party-unload" service. Under this service, as it now operates, four stops may be made, whereas formerly only one stop was allowed. This naturally increases the number of distribution points and frequently makes it unnecessary for a manufacturer to maintain spot-stocks in storage at these points. It also enables manufacturers to move a larger proportion of their business at carload rates than formerly.

Examples of savings in transportation costs are reported by one public merchandise warehouse in Texas, which handles a large number of pool cars, as is shown in Table III.

In each case the warehouse distribution charge has been added to the carload freight rate before showing the possible saving. This saving will, of course, be reduced by any costs of re-shipping or delivering in smaller lots, but it is usually large enough to cover these charges and leave something over as a "profit." These examples are based on classifications of "l. c. l." rates, carload minimums, and applicable rates thereto, and approximate warehouse charges for a minimum period of 30 days, and apply to commodities having a turn-over of from one to three cars per month as an average. Similar examples could be shown for other parts of the country.

The public merchandise warehouses of Texas are prepared to render the following services to their clients:

1. They supply trained, experienced personnel to perform all the details of handling, storing, assembling orders, marking, packing, record-keeping, shipping and delivery (including pool car handling and distribution, carload and less-than-carload shipping, the consolidating of shipments and city and suburban delivery to customers).

2. They store raw materials, manufactured articles, and service parts of every kind in modern buildings with low insurance rates and adequate fire protection. Such buildings are usually located on railroad sidings with facilities for inbound and outbound carloadings and are equipped with the most modern devices and methods for scientific and economical storing and handling of merchandise.

3. They act in a branch house capacity for manufacturers, doing everything that they themselves could do in the physical distribution of their products—except selling—and at a lower cost, as a rule. Not only do they store and distribute the manufacturer's goods, but they handle his orders through the use of an accredited list of customers to whom merchandise may be delivered, up to set limits, without the formality of receiving approval from the home office. This speeds deliveries. They will also supply display space for samples and office space for salesmen.

4. They will aid a manufacturer in financing through the issuance of negotiable or non-negotiable warehouse receipts, which may be used as bank collateral.

5. They provide flexibility in storage space, since the manufacturer pays only for the space he uses and the services he actually receives. This space or service may be expanded or contracted in any market as sales grow or fall off, without making a contract and without advance arrangement.

6. They enable a manufacturer to pre-determine his storage and distribution costs since charges are on the basis of units of goods handled and on actual services performed, unless the manufacturer prefers to rent on a space basis. The units of goods charged for by the warehouse are the same as the units used in selling; i.e., per case, per barrel, per ton, etc. The manufacturer thus knows his warehousing and handling costs per unit in a manner not possible when he does his own storage and handling.

TABLE I

PUBLIC MERCHANDISE WAREHOUSES IN TEXAS, 1939

City	No. Strictly Merchandise Warehouses	No. Combined Merchandise and Household Goods Warehouses	Total
Abilene	....	2	2
Amarillo	1	4	5
Austin	....	5	5
Beaumont	....	4	4
Beeville	....	1	1
Brownsville	....	1	1
Cisco	....	1	1
Corpus Christi	3	3	6
Corsicana	....	1	1
Dallas	6	6	12
El Paso	....	3	3
Fort Worth	2	6	8
Gainesville	....	1	1
Galveston	2	2	4
Harlingen	....	2	2
Houston	12	5	17
Laredo	....	1	1
Longview	....	1	1
Lubbock	....	1	1
Lufkin	....	1	1
Paris	....	1	1
Port Arthur	....	2	2
San Antonio	3	4	7
Texarkana	1	....	1
Texas City	1	....	1
Tyler	1	....	1
Waco	....	2	2
Wichita Falls	1	2	3
Totals	33	62	95

TABLE II

NUMBER OF MANUFACTURERS OR OTHER DISTRIBUTORS WITH HOME PLANTS IN THE NORTHEASTERN AND CENTRAL WESTERN PART OF THE UNITED STATES WHO CARRY STOCKS IN PUBLIC MERCHANDISE WAREHOUSES IN TEXAS

Manufacturer Location	Number Carrying Stocks	Per Cent of Total Stocks Carried
New York City	82	16
New York State excluding New York City	68	15
New England States	37	08
Pennsylvania	31	07
New Jersey	19	04
Chicago	61	13
State of Illinois excluding Chicago	25	05
Michigan	27	06
Ohio	50	10
Indiana	26	05
Missouri	58	11
Total	484	100

TABLE III

EXAMPLES OF SAVINGS FROM THE USE OF POOL CAR DISTRIBUTION

Destination—Dallas, Texas

Articles Taking Railroad Rate Class	Point of Origin	L.C.L. Rate per 100 Lbs.	Carload Rate per 100 Lbs.	Warehouse Charge per 100 Lbs.*	Total Carload Rate per 100 Lbs.	Saving per 100 Lbs.	Carload Minimum (Lbs.)	Saving per Car
4th	Chicago, Ill.	$1.44	$ .80	$ .12½	$ .92½	$ .51½	40,000	$206.00
1st	Morganton, N.C.	3.05	1.53	.20	1.73	1.32	15,000	$198.00
1st	Memphis, Tenn.	1.91	.96	.20	1.16	.75	15,000	$112.50
1st	Rome, Ga.	2.63	1.58	.20	1.78	.85	12,000	$102.00
1st	Thomasville, N.C.	3.11	1.87	.20	2.07	1.04	15,000	$156.00
2nd	Chattanooga, Tenn.	2.17	.96	.12½	1.08½	1.08½	24,000	$259.74
2nd	Kalamazoo, Mich.	2.34	1.03	.24	1.27	1.07	20,000	$214.00
2nd	Rockford, Ill.	2.18	1.08	.18	1.26	.92	20,000	$184.00
2nd	Detroit, Mich.	2.46	1.16	.15	1.31	1.15	20,000	$230.00
4th	Philadelphia, Pa.	1.52	.76¼	.09	.85¼	.66¾	36,000	$200.25
3rd	Philadelphia, Pa.	1.93	.74¼	.08	.82¼	1.10¾	36,000	$423.00
4th	Detroit, Mich.	1.59	.90	.12	1.02	.57	40,000	$228.00
2nd	Philadelphia, Pa.	2.04	.87	.12	.99	1.05	30,000	$315.00

*Approximate distribution charge over minimum period of 30 days.

JOHN H. FREDERICK.

Cotton Situation

Cotton demands greater and more fundamental consideration on the part of Texas people than it has yet received even though volumes have been written and much work has been done on such important topics as cotton improvement, cotton as a source of income, employment in the various aspects of the business, and competitive conditions in production and distribution. Our point of view relative to cotton has been too narrow. We are too prone to consider the cotton problem as the worry of the cotton growers, ginners, merchants, and cottonseed crushers, and that even that interest is divided with the cotton growers on one side and all the others on the opposite side.

So far our appreciation of the cotton industry has been almost altogether from the standpoint of its value as an independent, local enterprise. The significance of the industry as an interrelated part of our whole economy, and especially the effects on it of rapidly changing arts and technologies, the rise of synthetic fibers, and shifting trade balances is not appreciated. The degree to which our cotton industry has tied Texas into national, and especially world economy, and potential consequences of those tie-ups have been no less neglected than the development of an understanding of the natural environment of the region and the characteristics of the cotton plant which are responsible for making cotton our predominant crop.

Briefly, the natural environmental factors which give character to Texas and the Gulf Southwest as a region are smooth to rolling topography manifest in prairies and plains of wide extent, more or less scanty rainfall—primarily in spring and summer, a long growing season, and rich, dark-colored soils. The long fruiting period of the cotton plant, its drouth-resisting qualities and quick recovery after arrested growth give it adaptability to production in this region possessed by few other cultivated crops.

The dominant characteristic of modern economy is production for markets. Moreover, the wide range of goods and services being created by this type of economy and required in modern standards of living demand a substantial money income for their acquisition. The attainment of this money income requires the production of large surpluses of commodities in demand in the market at low cost production in areas accessible to large markets. This demand for large volume tends to localize production in specially adapted areas accessible to markets. The cotton industry of the Southwest is not only typical of this type of specialized production economy, but it has played a significant role in it.

The point is that Texas is in the very heart of a region with specialized environmental conditions, which readily lends itself to large-scale production for certain specialized agricultural crops and farms enterprises which are adapted to the natural environment. In this environment forage crops, particularly the native grasses, weeds, and shrubs, are the surest producers, and this decrees that enterprises based on live stock must play a major role in the economy of this State and region.

Cotton is the outstanding cultivated crop ideally adapted to Texas environment. It partakes of the nature of weeds and shrubs in that it adjusts its fruiting period to rainfall conditions. Cotton production and livestock enterprises constitute the bulk of agricultural production in Texas and the basis of its stability. The significance of this fact is brought out by the figures on marketings and volume of income from various farm and ranch products in Texas. Maximum variation in the marketings of major farm products from Texas between the years of lowest and highest marketings during the twelve years, 1927 through 1938, are at least indicative of the adaptability of the various crops and enterprises.

The variation of the volume of marketings of calves from the lowest in any one year to the highest in any one year was only 41 per cent; mohair, 50 per cent; cattle, 95 per cent; wool, 123 per cent; cotton, 123 per cent; cottonseed, 132 per cent; hogs, 142 per cent; sheep, 179 per cent; corn, 850 per cent; and wheat, 888 per

cent. Variations in the average yield per acre of the major crops, particularly if abandoned acreage is included in the calculation as it should be, tell the same story and that is that cotton not only is Texas' best money crop, but its surest feed crop other than native grasses. In 1927, income from cotton and cottonseed and livestock and livestock products constituted 91 per cent of all farm cash income in Texas. In this same year, farm cash income from cotton and cottonseed constituted 67 per cent of the total. By 1938 momentous changes had taken place in farm cash income in Texas. There has been a decline of over $340,000,000 in farm cash income, not including benefit payments, in the State. Income from cotton and cottonseed alone has declined $351,000,000 from 1927, and now constitutes only 38 per cent of the total. Income from livestock and livestock products has increased about $3,000,000 from 1927, and income from grains and all other farm products is up $17,000,000 in 1938 from 1927.

The predominant role cotton has played in the agricultural and commercial development of Texas is proof both of its adaptability to this environment and of its economic importance. Cotton was the pioneer crop that paid for land, buildings, and equipment on most farms in Texas. Size of farms, farm layout, farm buildings, and equipment have all been pitched and developed on the basis of an economy dominated by cotton. For the most part, farm techniques and procedure are arts handed down from father to son. This rigidity in the size of farms, farm equipment, and techniques will require a powerful educational program and large expenditures of funds to adjust our economy to a substantial loss of markets for our cotton.

It has already been pointed out that individuals or families must have a substantial money income if they are to obtain the goods and services which go with a modern standard of living. Obviously, some individuals and families in a community or region may secure such an income without selling their production outside the community or the region, but it is equally certain that others in the community or region must produce a surplus to be sold outside the community or region if such a standard of living is to be attained by a substantial portion of the people, for no community or region does or can produce all of the goods and services the people desire. The facts and implications involved here are of paramount importance in whatever adjustments that are to be made in Texas economy to meet changing market situations in relation to cotton. The Gulf Southwest, in which Texas occupies the most strategic position, is a region of highly specialized environmental conditions which tend to restrict certain types of farm enterprises; but what is more important, these same environmental conditions give enormous advantage in the pursuit of those enterprises best adapted to the environment, such as livestock and cotton production.

Notwithstanding the fact that cotton production and distribution are enterprises ideally adapted to Texas environment, we must not overlook the fact that cotton is essentially a cash crop and that market demand expressed in price and marketability must be given due weight in evaluating cotton production in the economy of Texas.

In the next issue we propose to discuss a cotton policy for Texas in the light of the natural and cultural environment of Texas and of world market conditions.

A. B. Cox.

COTTON BALANCE SHEET

Indicated supplies of cotton in the United States October 1 were 22,863,000 bales, compared with 22,089,000 bales last year, and 20,041,000 bales two years ago. The increase in supplies of cotton in the United States as compared with last year was 774,000 bales.

The calculated price of M. 7/8 inch spot cotton at New Orleans based on the present price level and the supply of cotton is 8.02 cents.

European countries have discontinued publishing figures on stocks of cotton in their parts and the amounts of cotton afloat to them. Likewise, data used in calculating spinners margins are no longer available.

COTTON BALANCE SHEET FOR THE UNITED STATES AS OF OCTOBER 1

(In Thousands of Running Bales Except as Noted)

	Carryover Aug. 1†	Imports to Oct. 1*	Government Estimate as of Oct. 1*	Total	Consumption to Oct. 1	Exports to Oct. 1	Total	Balance Oct. 1
1930–1931	4,530	9	14,486	19,025	746	1,269	2,015	17,010
1931–1932	6,369	13	16,284	22,266	889	769	1,658	21,008
1932–1933	9,682	14	11,425	21,121	897	1,186	2,083	19,038
1933–1934	8,176	23	12,885	21,084	1,088	1,400	2,488	18,596
1934–1935	7,746	19	9,443	17,208	714	706	1,420	15,788
1935–1936	7,138	14	11,464	18,616	859	728	1,587	17,029
1936–1937	5,397	22	11,609	17,028	1,205	752	1,957	15,077
1937–1938	4,498	14	17,978	22,490	1,206	838	2,044	20,446
1938–1939	11,533	29	12,212	23,774	1,093	590	1,683	22,091
1939–1940	13,033	23	11,928	24,984	1,253	868	2,121	22,863

*In 500-pound bales.

†The cotton year begins August 1.

NOTE: These figures have been revised in accordance with the revisions made by the United tates Bureau of the Census.

EMPLOYMENT AND PAY ROLLS IN TEXAS

SEPTEMBER, 1939

	Estimated Number of Workers Employed	Percentage Change from Aug. 1939	Percentage Change from Sept. 1938	Estimated Amount of Weekly Pay Roll	Percentage Change from Aug. 1939	Percentage Change from Sept. 1938
Manufacturing						
All Manufacturing Industries	130,247	+ 1.7	+ 3.4	$2,516,693	− 0.7	+ 3.6
Food Products						
Baking	6,858	+ 5.5	+ 4.1	154,899	+ 5.1	+ 6.4
Beverages, Carbonated	1,943	− 2.2	+ 5.1	36,146	+ 1.6	+14.2
Confectionery	852	+79.1	−10.1	8,596	+79.7	−24.9
Flour Milling	1,513	− 2.3	− 5.5	38,429	+14.3	+ 7.5
Ice Cream	519	− 2.2	− 3.7	10,552	− 2.1	− 3.8
Meat Packing	3,849	+ 4.7	− 5.6	106,550	+ 9.1	+ 0.8
Textiles						
Cotton Textile Mills	3,817	+ 2.9	− 1.2	59,275	+ 1.1	*
Men's Work Clothing	3,573	+ 1.0	+ 1.1	28,008	+ 7.7	− 6.6
Forest Products						
Furniture	2,194	+ 8.3	+25.8	40,117	+13.2	+47.6
Planing Mills	2,560	− 2.0	+ 4.3	37,109	− 4.3	*
Saw Mills	10,979	+ 2.6	+12.8	141,292	+ 4.7	+10.2
Paper Products	330	− 0.5	+12.2	5,158	+ 5.7	+17.7
Printing and Publishing						
Commercial Printing	1,938	− 4.3	+ 2.8	53,571	− 3.0	+ 6.8
Newspaper Publishing	4,350	+ 4.2	+ 6.0	125,514	+ 7.7	+ 6.1
Chemical Products						
Cotton Oil Mills	1,572	+32.0	− 6.4	22,587	+44.0	+ 0.9
Petroleum Refining	18,870	+ 0.6	+ 1.7	680,588	− 1.8	− 0.1
Stone and Clay Products						
Brick and Tile	960	− 3.0	+15.7	13,436	−10.2	+ 4.9
Cement	1,575	+ 1.0	− 5.1	26,672	+ 4.2	+ 1.4
Iron and Steel Products						
Foundries, Machine Shops	9,652	− 5.9	+ 0.9	255,400	−16.7	+ 3.6
Structural and Ornamental Iron	1,435	+ 0.2	+13.4	28,362	− 0.6	+18.1

	Employment Percentage Change		Pay Rolls Percentage Change	
	Aug. 1939 to Sept. 1939	Sept. 1938 to Sept. 1939	Aug. 1939 to Sept. 1939	Sept. 1938 to Sept. 1939
Nonmanufacturing				
Crude Petroleum Production	− 3.2	− 3.2	− 2.6	− 5.6
Quarrying	− 0.5	−10.0	+ 2.1	− 9.3
Public Utilities	+ 0.7	+ 3.5	+ 0.1	+ 5.2
Retail Trade	+ 5.6	+ 5.2	+ 6.5	+ 2.8
Wholesale Trade	+ 5.9	+ 3.5	+ 5.9	+ 4.2
Cotton Compresses	+97.5	+ 0.4	+140.5	+13.3
Dyeing and Cleaning	+ 6.2	− 5.4	+12.4	− 6.4
Hotels	+ 1.4	− 5.9	+ 1.9	− 8.2
Laundries	− 0.4	− 2.4	+ 2.9	+ 3.1

	Employment Percentage Change		Pay Rolls Percentage Change	
	Aug. 1939 to Sept. 1939	Sept. 1938 to Sept. 1939	Aug. 1939 to Sept. 1939	Sept. 1938 to Sept. 1939
Cities				
Abilene	+ 4.6	+ 3.8	+ 4.6	+17.1
Amarillo	+ 8.0	− 3.4	+ 4.3	− 4.7
Austin	+ 1.9	− 7.9	+ 4.1	− 0.3
Beaumont	+ 9.4	− 0.6	− 0.3	+ 1.7
Dallas	+ 3.6	+ 2.6	+ 3.2	+ 1.6
El Paso	− 0.1	− 0.7	− 2.6	− 3.0
Fort Worth	+ 3.3	− 1.6	+ 4.5	+ 0.8
Galveston	+ 4.3	−11.9	+ 4.3	− 5.9
Houston	+ 6.0	+ 8.4	+ 3.3	+11.3
Port Arthur	− 0.5	+ 2.6	− 1.3	+ 3.4
San Antonio	− 0.9	+ 2.2	+ 0.3	+ 6.4
Sherman	−10.1	− 9.7	−15.6	−17.1
Waco	+ 3.6	+ 6.4	+ 5.9	+ 1.4
Wichita Falls	− 1.1	−13.0	− 2.1	−15.3
STATE	+ 2.4	+ 3.0	+ 1.0	+ 2.3

*No change.

Prepared from reports from representative Texas establishments to the Bureau of Business Research, coöperating with the United States Bureau of Labor Statistics.

BANKING STATISTICS

(In Millions of Dollars)

	September, 1939		September, 1938		August, 1939	
	Dallas District	United States	Dallas District	United States	Dallas District	United States
DEBITS to individual accounts	$801	$33,483	$719	$28,704	$760	$29,215
Condition of reporting member banks on—	Sept. 27, 1939		Sept. 28, 1938		Aug. 30, 1939	
ASSETS:						
Loans and investments—total	$516	$22,419	$510	$21,240	$512	$22,442
Loans—total	263	8,350	236	8,241	253	8,209
Commercial, industrial, and agricultural loans	173	4,229	152	3,891	166	3,996
Open Market paper	2	316	2	344	1	317
Loans to brokers and dealers in securities	2	533	2	649	4	608
Other loans for purchasing or carrying securities	14	510	14	576	13	519
Real estate loans	22	1,180	20	1,161	21	1,174
Loans to banks	---	35	1	118	---	49
Other loans	50	1,547	45	1,502	48	1,546
Treasury Bills	13	419	†	†	26	502
Treasury Notes	49	2,137	†	†	50	2,160
U. S. Bonds	80	5,881	†	†	80	5,903
Obligations fully guaranteed by U.S.Gov't	55	2,232	36	1,675	48	2,286
Other securities	56	3,400	54	3,213	55	3,382
Reserve with Federal Reserve Bank	133	9,794	105	6,694	125	9,247
Cash in vault	12	486	11	426	11	465
Balances with domestic banks	271	3,018	208	2,335	251	2,789
Other assets—net	30	1,220	26	1,232	30	1,241
LIABILITIES:						
Demand deposits—adjusted	456	18,333	408	15,503	456	18,096
Time deposits	136	5,231	133	5,180	135	5,247
U.S. Government deposits	31	540	31	581	30	540
Inter-bank deposits:						
Domestic banks	248	7,667	200	5,799	218	7,167
Foreign banks	---	753	---	448	---	683
Borrowings	---	1	---	---	---	4
Other liabilities	5	700	6	750	4	723
CAPITAL ACCOUNT	86	3,712	82	3,661	86	3,724

†Not available.
NOTE: From Federal Reserve Board.

PURCHASES OF SAVINGS BONDS

	September, 1939		January 1–October 1, 1939	
	Purchase Price	Maturity Value	Purchase Price	Maturity Value
Abilene	$ 5,325	$ 7,100	$ 155,457	$ 207,085
Austin	26,100	34,800	310,088	413,450
Beaumont	29,325	39,100	381,414	508,650
Big Spring	3,619	4,825	69,751	93,000
Brownsville	7,969	10,625	79,013	105,350
Brownwood	619	825	45,709	59,950
Dallas	118,181	157,575	1,983,281	2,644,375
Del Rio	488	650	6,245	8,325
Denison	1,406	1,875	†	†
Denton	619	825	42,827	57,100
El Paso	70,144	93,525	671,212	894,950
Fort Worth	70,762	94,350	972,152	1,296,200
Galveston	23,456	31,275	328,575	438,100
Gladewater	12,206	16,275	80,815	107,375
Harlingen	3,825	5,075	55,632	74,150
Kenedy	19	25	7,163	9,550
Longview	4,106	5,475	197,102	265,350
McAllen	6,938	9,250	54,151	72,355
Palestine	3,150	5,200	118,125	158,499
Pampa	3,450	4,600	31,689	42,330
Paris	5,213	6,516	101,457	135,850
Plainview	694	925	55,314	73,750
Port Arthur	6,038	8,050	169,520	226,025
San Angelo	2,288	3,050	108,562	144,750
San Benito	3,431	4,575	22,388	29,850
Sherman	1,388	1,850	67,277	90,300
Tyler	9,150*	†	221,137	284,848
Waco	33,900	45,200	407,905	543,875
Wichita Falls	13,969	18,625	338,283	451,040
TOTAL	$ 458,628	$ 612,041	$7,082,244	$9,436,432

*Not included in total.
†Not available.

TEXAS CHARTERS

	Sept. 1939	Sept. 1938	Aug. 1939	Year to Date 1939	Year to Date 1938
Domestic Corporations—					
Capitalization‖	$1,785	$1,269	$1,278	$17,446	$22,218
Number	108	107	105	1,091	1,113
Classification of new corporations:					
Banking-Finance	6	2	---	33	29
Manufacturing	24	21	20	198	219
Merchandising	22	29	30	252	276
Oil	17	21	17	207	260
Public Service	3	---	---	7	6
Real Estate-Building	10	7	16	120	84
Transportation	1	3	4	35	30
All Others	25	24	18	239	209
Number capitalized at less than $5,000	38	44	51	461	413
Number capitalized at $100,000 or more	5	2	2	37	35
Foreign Corporations (Number)	11	20	12	237	214

‖In thousands.
NOTE: Compiled from records of the Secretary of State.

TEXAS COMMERCIAL FAILURES

	Sept. 1939	Sept. 1938	Aug.* 1939	Year-to-date 1939	Year-to-date 1938
Number	15	15	28	240	144
Liabilities‖	$ 326	$ 171	$ 663	$3,970	$1,637
Assets‖	$ 95	$ 63	$1,123	$2,298	$ 899
Average Liabilities per Failure‖	$ 22	$ 11	$ 24	$ 17	$ 11

*Revised.
‖In thousands.
NOTE: From Dun and Bradstreet, Inc.

SEPTEMBER CREDIT RATIOS IN TEXAS RETAIL STORES

(Expressed in Per Cent)

	Number of Stores Reporting	Ratio of Credit Sales to Net Sales 1939	1938	Ratio of Collections to Outstandings 1939	1938	Ratio of Credit Salaries to Credit Sales 1939	1938
All Stores	69	68.1	67.5	37.2	35.7	0.9	1.0
Stores Grouped by Cities:							
Abilene	3	58.3	58.6	27.2	25.0	1.2	1.4
Amarillo	3	61.9	63.4	46.8	43.4	1.5	1.7
Austin	6	62.3	61.5	43.8	39.6	1.0	1.0
Beaumont	3	73.2	69.7	39.2	37.3	1.3	1.1
Dallas	10	74.4	74.7	35.9	34.7	0.7	0.9
Fort Worth	5	65.6	65.6	37.5	36.1	1.0	1.0
Houston	8	66.0	64.8	38.4	38.4	1.0	1.2
San Antonio	7	66.7	64.0	44.8	39.8	0.7	0.8
Waco	4	66.0	67.9	28.2	27.4	1.1	1.0
All Others	20	61.0	59.6	35.0	33.4	1.3	1.4
Stores Grouped According to Type of Store:							
Department Stores (Annual Volume Over $500,000)	19	68.5	67.1	40.3	38.4	0.8	1.0
Department Stores (Annual Volume Under $500,000)	11	65.0	62.2	33.7	30.9	1.4	1.5
Dry Goods Apparel Stores	5	64.1	62.6	39.4	32.4	1.4	1.4
Women's Specialty Shops	14	71.4	70.0	30.3	29.8	0.7	0.7
Men's Clothing Stores	20	60.8	68.0	35.6	34.6	1.7	1.6
Stores Grouped According to Volume of Net Sales During 1938:							
Over $2,500,000	10	70.8	68.5	39.2	39.0	0.8	0.9
$2,500,000 down to $1,000,000	9	63.8	61.4	40.8	40.8	0.9	0.9
$1,000,000 down to $500,000	10	59.0	61.6	39.3	39.3	1.1	1.1
$500,000 down to $100,000	29	63.2	62.5	36.5	35.8	1.5	1.5
Less than $100,000	11	60.7	67.6	36.2	33.4	3.1	3.0

NOTE: The ratios shown for each year, in the order in which they appear from left to right, are obtained by the following computations: (1) Credit sales divided by net sales. (2) Collections during the month divided by the total accounts unpaid on the first of the month. (3) Salaries of the credit department divided by credit sales.

The data are reported to the Bureau of Business Research by Texas retail stores.

COMMODITY PRICES

	Sept. 1939	Sept. 1938	Aug. 1939
WHOLESALE PRICES:			
U. S. Bureau of Labor Statistics (1936 = 100)	79.1	78.3	75.0
The Annalist (1926 = 100)	81.3	80.5	75.6
FARM PRICES:			
U. S. Department of Agriculture (1910–14 = 100)	98.0*	95.0	88.0
U. S. Bureau of Labor Statistics (1926 = 100)	68.7	68.1	61.0
RETAIL PRICES:			
Department Stores (Fairchild's Publications, Jan. 1931 = 100)	90.2	89.0	89.5

*Preliminary.

CEMENT

(In Thousands of Barrels)

	Sept. 1939	Sept. 1938	Aug. 1939	Year to Date 1939	1938
Texas Plants—					
Production	685	624	485	5,552	5,165
Shipments	585	601	582	5,509	5,251
Stocks	822	862	723	----	----
United States—					
Production	11,937	10,562	12,369	98,299	75,744
Shipments	13,104	11,716	13,804	92,870	79,288
Stocks	20,160	21,322	20,926	----	----
Capacity Operated	56.3%	49.9%	56.6%	----	----

NOTE: From U.S. Department of Interior, Bureau of Mines.

SEPTEMBER CARLOAD MOVEMENT OF POULTRY AND EGGS

Shipments from Texas Stations

Destination*	Cars of Poultry: Live Chickens Sept. 1939	Live Chickens Sept. 1938	Live Turkeys Sept. 1939	Live Turkeys Sept. 1938	Dressed Chickens Sept. 1939	Dressed Chickens Sept. 1938	Dressed Turkeys Sept. 1939	Dressed Turkeys Sept. 1938	Cars of Eggs† Sept. 1939	Sept. 1938
TOTAL	---	---	---	---	9	10	2	---	49.5	42.7
Intrastate	---	---	---	---	---	---	---	---	11.0	6.0
Interstate	---	---	---	---	9	10	2	---	38.5	36.7

Origin	Receipts at Texas Stations									
TOTAL	---	---	---	---	---	---	---	---	15.0	15.5
Intrastate	---	---	---	---	---	---	---	---	13.0	10.0
Interstate	---	---	---	---	---	---	---	---	2.0	5.5

*The destination above is the first destination as shown by the original waybill. Changes in destination brought about by diversion orders are not shown.

†Powdered eggs and canned frozen eggs are converted to a shell egg equivalent.

NOTE: These data are furnished the United States Department of Agriculture by railroad officials through agents at all stations which originate and receive carload shipments of poultry and eggs. The data are compiled by the Bureau of Business Research.

LUMBER

(In Board Feet)

	Sept. 1939	Sept. 1938	Aug. 1939
Southern Pine Mills:			
Average Weekly Production per unit	298,289	300,697	297,781
Average Weekly Shipments per unit	373,583	322,442	332,345
Average Unfilled Orders per Unit, End of Month	1,167,136	533,485	773,360

NOTE: From Southern Pine Association.

BUILDING PERMITS

	Sept. 1939	Sept. 1938	Aug. 1939	Year to Date 1939	Year to Date 1938
Abilene	$ 48,195	$ 23,831	$ 72,375	$ 491,300	$ 620,060
Amarillo	270,265	194,039	249,425	2,109,462	1,231,807
Austin	346,133	590,874	558,983	6,053,906	4,292,647
Beaumont	99,241	115,495	149,363	1,121,776	1,045,464
Big Spring	13,140	39,135	45,325	258,318	292,960
Corpus Christi	225,709	177,760	388,190	2,854,552	2,182,047
Corsicana	2,070	8,302	16,070	152,772	172,141
Dallas§	787,276	884,265	1,073,767	9,753,826	8,887,528
Del Rio	3,635	6,890	6,120	81,252	97,368
Denison	35,081	21,849	25,880	277,384	190,387
Denton	37,400	18,850	15,520	250,210	166,420
El Paso	871,520¶	144,040	142,163	2,153,386	1,236,116
Fort Worth	264,535	324,627	382,114	4,399,598	4,586,004
Galveston	112,501	81,924	98,281	1,132,119	1,761,860
Gladewater	2	1,450	345	57,266	76,857
Harlingen	14,210	23,725	16,727	164,651	207,114
Houston	2,521,210	1,820,210	1,667,065	20,272,475	18,793,645
Jacksonville	1,200	4,300	200	68,375	59,352
Kenedy	50†	‡	50†	25,410†	‡
Kilgore	77,000	41,500	26,250	‡	‡
Laredo	0	475	17,500	65,570	36,855
Longview	13,050	13,305*	94,252	241,680	283,492
Lubbock	248,667	658,775	182,248	2,215,461	2,457,573
McAllen	29,240	48,605	29,480	286,000	231,990
Marshall	23,845	42,039*	26,143	483,769	268,219
New Braunfels	9,935	8,335	6,015	105,840	100,225
Palestine	13,750	24,536	12,313	125,492	223,950
Pampa	25,000	29,575	31,100	224,230	165,525
Paris	9,675	11,675	19,565	100,804	85,813
Plainview	4,625	11,400*	16,990	75,504	56,945
Port Arthur	115,090	109,913	130,537	859,665	1,247,075
San Angelo	33,448	15,510	61,303	353,582	295,503
San Antonio	423,547	164,372	564,741	3,870,827	3,639,511
Sherman	24,037	94,768	34,345	269,875	347,007
Sweetwater	15,470	14,195	8,260	110,276	145,176
Temple	51,060†	‡	4,635†	‡	‡
Tyler	57,272	90,294	97,025	1,330,188	978,852
Waco	109,850	217,020	114,659	1,307,628	1,178,923
Wichita Falls	83,965*	125,503	106,220	731,257	640,596
TOTAL	$ 6,970,789	$ 6,203,361	$ 6,486,859	$64,410,276	$58,283,007

*Does not include public works.
†Not included in the total.
‡Not available.
§The Dallas figure given for August in this issue is the correct figure.
NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.
¶A slum clearance project is included in this figure.

SEPTEMBER SHIPMENTS OF LIVE STOCK CONVERTED TO A RAIL-CAR BASIS§

	Cattle 1939	Cattle 1938	Calves 1939	Calves 1938	Hogs 1939	Hogs 1938	Sheep 1939	Sheep 1938	Total 1939	Total 1938
Total Interstate Plus Fort Worth¶	4,776	4,359	2,149	1,708	667	589	1,968	1,074	9,560	7,730
Total Intrastate Omitting Fort Worth	462	429	97	98	31	39	359	417	949	983
TOTAL SHIPMENTS	5,238	4,788	2,246	1,806	698	628	2,327	1,491	10,509	8,713

TEXAS CAR-LOT§ SHIPMENTS OF LIVE STOCK, JANUARY 1–OCTOBER 1

	Cattle 1939	Cattle 1938	Calves 1939	Calves 1938	Hogs 1939	Hogs 1938	Sheep 1939	Sheep 1938	Total 1939	Total 1938
Total Interstate Plus Fort Worth¶	38,586	39,270	10,267	8,212	6,689	5,366	8,437	8,896	63,979	61,744
Total Intrastate Omitting Fort Worth	5,910	6,189	1,158	1,139	390	472	1,133	960	8,591	8,760
TOTAL SHIPMENTS	44,496	45,459	11,425	9,351	7,079	5,838	9,570	9,856	72,570	70,504

§Rail-car Basis: Cattle, 30 head per car; calves, 60; hogs, 80; and sheep, 250.
¶Fort Worth shipments are combined with interstate forwardings in order that the bulk of market disappearance for the month may be shown.
NOTE: These data are furnished the United States Bureau of Agricultural Economics by railway officials through more than 1,500 station agents, representing every live stock shipping point in the State. The data are compiled by the Bureau of Business Research.

SEPTEMBER RETAIL SALES IN TEXAS

	September, 1939			Year, 1939	
	Number of Firms Reporting	Percentage Change from Sept. 1938	Percentage Change from Aug. 1939	Number of Firms Reporting	Percentage Change from Year 1938
TEXAS	1,112	+ 3.2	+13.3	989	+ 4.1
STORES GROUPED BY LINE OF GOODS CARRIED:					
APPAREL	128	− 2.6	+38.3	112	− 0.1
Family Clothing Stores	30	+ 3.2	+48.2	23	− 1.5
Men's and Boys' Clothing Stores	47	− 3.4	+37.4	43	− 1.8
Shoe Stores	17	− 2.9	+64.0	14	− 1.8
Women's Specialty Shops	34	− 3.3	+34.6	32	+ 1.1
AUTOMOTIVE	120	+10.0	−12.3	108	+14.7
Filling Stations	38	− 6.9	− 7.2	34	− 4.5
Motor Vehicle Dealers	82	+11.0	−12.6	74	+15.7
COUNTRY GENERAL AND FARMERS' SUPPLIES	93	+ 7.5	+16.3	83	− 1.5
DEPARTMENT STORES	61	+ 0.8	+34.0	59	+ 1.5
DRUG STORES	133	+ 1.2	+ 6.9	113	+ 0.6
DRY GOODS AND GENERAL MERCHANDISE	18	+13.6	+28.7	11	+ 6.4
FLORISTS	31	− 1.9	+ 6.0	31	+ 1.2
FOOD	154	+ 4.8	+ 8.1	143	− 3.7
Grocery Stores	43	+ 8.6	+12.4	39	− 0.1
Grocery and Meat Stores	111	+ 3.7	+ 6.8	104	− 4.8
FURNITURE AND HOUSEHOLD	54	+ 4.5	− 0.5	44	+ 3.8
Furniture Stores	48	+ 3.2	− 2.2	40	+ 4.0
Household Appliance Stores	6	+18.2	+21.1	4	+ 1.5
JEWELRY	43	+12.8	+ 0.2	37	+ 1.0
LUMBER, BUILDING, AND HARDWARE	236	+ 6.6	+ 1.2	212	+ 7.0
Farm Implement Dealers	11	+38.7	+24.2	10	+11.8
Hardware Stores	71	+10.3	+ 6.6	63	+ 1.3
Lumber and Building Material Dealers	154	+ 4.3	− 1.3	139	+ 8.7
RESTAURANTS	21	− 3.0	+ 0.04	19	− 1.3
ALL OTHER STORES	20	− 9.4	+ 5.6	17	− 8.2
TEXAS STORES GROUPED ACCORDING TO POPULATION OF CITY:					
All Stores in Cities of—					
Over 100,000 Population	243	+ 2.6	+16.6	221	+ 5.2
50,000–100,000 Population	105	+ 1.7	+14.6	95	+ 2.5
2,500–50,000 Population	470	+ 4.2	+ 9.5	412	+ 4.2
Less than 2,500 Population	294	+ 6.0	+ 4.6	261	− 0.04

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce.

PETROLEUM

Daily Average Production

(In Barrels)

	Sept. 1939	Sept. 1938	Aug. 1939
Coastal Texas*	232,750	198,300	161,110
East Central Texas	90,900	89,850	64,720
East Texas	410,150	368,700	242,150
North Texas	85,300	70,450	55,860
Panhandle	59,100	62,250	44,550
Southwest Texas	232,300	212,600	153,380
West Central Texas	32,450	28,300	20,680
West Texas	255,400	188,100	164,240
STATE	1,398,350	1,221,550	906,690
UNITED STATES	3,497,550	3,232,250	2,782,810
Imports	153,143	141,464	172,286

*Includes Conroe.

NOTE: From American Petroleum Institute.

See accompanying map showing the oil producing districts of Texas.

Gasoline sales as indicated by taxes collected by the State Comptroller were: August, 1939, 117,552,000 gallons; August, 1938, 111,719,000 gallons; July, 1939, 118,868,000 gallons.

SEPTEMBER RETAIL SALES IN TEXAS

	September, 1939			Year, 1939	
	Number of Firms Reporting	Percentage Change in Dollar Sales: Sept. 1939 from Sept. 1938	Percentage Change in Dollar Sales: Sept. 1939 from Aug. 1939	Number of Firms Reporting	Percentage Change in Dollar Sales from Year 1938
TOTAL TEXAS	1,112	+ 3.2	+13.3	989	+ 4.1
TEXAS STORES GROUPED BY PRODUCING AREAS:					
DISTRICT 1-N	69	+ 9.0	+ 2.7	61	+ 1.8
Amarillo	14	+15.2	+23.3	13	+ 6.0
Pampa	13	+11.7	− 2.4	10	+ 9.3
Plainview	14	+ 4.4	− 6.3	13	− 6.9
All Others	28	− 1.2	−10.7	25	− 5.6
DISTRICT 1-S	17	− 5.2	−18.5	16	+ 3.4
Big Spring	5	−22.6	−46.8	5	+ 1.8
Lubbock	9	− 6.6	−11.0	8	+ 3.5
All Others	3	+57.0	+11.3	3	+ 7.9
DISTRICT 2	95	0.0	+15.3	87	− 0.8
Abilene	15	+19.0	+25.0	14	+ 7.2
Vernon	7	− 8.4	+19.7	7	− 1.1
Wichita Falls	11	−13.4	+12.6	9	−15.3
All Others	62	− 3.4	+ 9.5	57	+ 0.4
DISTRICT 3	33	+ 6.4	+23.1	26	+ 1.5
Brownwood	7	− 0.5	+20.2	5	+ 5.2
Eastland	6	+ 0.6	+14.5	5	+ 7.5
All Others	20	+ 7.9	+24.2	16	+ 0.7
DISTRICT 4	279	+ 1.1	+15.4	252	+ 4.9
Cleburne	8	+ 2.9	+23.1	7	+ 1.2
Commerce	5	+11.1	+45.4	5	+20.3
Corsicana	6	+13.8	+41.5	6	+ 3.8
Dallas	49	− 2.5	+19.1	46	+ 3.6
Denison	10	+10.2	+ 3.6	8	+ 8.9
Ennis	6	+27.6	+ 0.8	6	+ 2.9
Fort Worth	51	+ 3.3	+ 7.7	47	+ 7.2
Sherman	6	−11.2	+21.4	4	−14.5
Taylor	7	+20.5	+ 2.8	6	+59.6
Temple	11	+15.6	+36.6	11	+ 6.1
Waco	30	+ 0.04	+25.6	27	+ 0.2
All Others	90	+ 8.0	+ 7.4	79	+ 4.6
DISTRICT 5	108	+ 8.5	+22.1	88	+ 3.8
Bryan	8	+ 0.5	+70.9	8	+13.5
Henderson	6	− 6.4	+ 1.6	6	+ 1.7
Longview	8	+15.1	+15.4	5	−19.4
Marshall	8	− 6.6	+15.9	6	− 4.9
Tyler	13	− 3.7	+28.7	11	− 7.3
All Others	65	+16.1	+19.3	52	+ 9.7
DISTRICT 6	35	+ 8.9	+24.6	31	+ 5.6
El Paso	24	+ 9.2	+25.7	22	+ 6.4
All Others	11	+ 4.7	+ 6.8	9	− 8.4
DISTRICT 7	62	+ 2.7	+26.4	52	+ 1.3
Brady	8	+13.1	+27.6	8	+ 6.0
San Angelo	13	− 0.6	+34.3	11	− 0.3
All Others	41	+ 4.2	+20.0	33	+ 1.9
DISTRICT 8	199	+ 4.5	+12.1	186	+14.6
Austin	18	+ 3.9	+26.1	18	+12.6
Corpus Christi	15	+ 7.1	−20.4	13	− 1.8
Cuero	7	+ 0.5	+22.0	7	− 0.2
Lockhart	7	−11.6	+12.9	7	+ 7.7
San Antonio	69	+ 6.7	+15.9	62	+ 2.9
San Marcos	7	−23.8	−17.6	7	−11.9
All Others	76	+ 1.0	+ 5.4	72	+ 5.2
DISTRICT 9	155	+ 1.8	+11.2	136	+ 4.0
Beaumont	19	+ 2.4	+22.3	18	+ 0.9
Galveston	23	+ 6.6	− 8.3	18	− 2.8
Houston	50	+ 2.0	+16.7	44	+ 7.5
Port Arthur	15	− 5.6	+ 1.8	14	− 3.1
Victoria	6	+ 9.8	−16.4	5	− 7.6
All Others	42	+ 0.7	+ 0.8	37	+ 0.8
DISTRICT 10	60	+ 8.5	− 3.5	54	+ 3.7
Brownsville	14	+33.6	− 4.2	11	+11.8
Harlingen	10	− 6.2	−26.6	9	+ 7.5
All Others	36	+ 3.0	+ 7.0	34	− 0.9

NOTE: Prepared from reports from independent retail stores to the Bureau of Business Research, coöperating with the United States Department of Commerce. See map on page 14, September 28, 1939, issue showing crop reporting districts of Texas.

POSTAL RECEIPTS

	Sept. 1939	Sept. 1938	Aug. 1939	Year to Date 1939	Year to Date 1938
Abilene	$ 17,248	$ 17,120	$ 16,483	$ 155,363	$ 157,575
Amarillo	30,395	30,945	32,198	275,376	278,053
Austin	71,986	67,369	67,304	612,151	583,760
Beaumont	25,703	25,563	28,169	234,451	227,326
Big Spring	5,520	5,644	5,358	51,444	53,505
Brownsville	4,842	5,475	6,025	51,272	52,069
Brownwood	5,237	5,983	5,628	51,152	52,718
Corpus Christi	23,915	22,453	26,512	220,883	211,489
Dallas	376,110	373,646	336,145	3,161,942	3,087,080
Del Rio	4,496	3,218	3,894	35,416	32,700
Denison	5,135	5,739	5,539	47,852	43,563
Denton	6,988	6,327	5,255	62,207	58,002
El Paso	43,139	42,412	41,510	392,357	378,312
Fort Worth	144,998	144,755	133,832	1,226,503	1,197,651
Galveston	28,078	27,223	30,148	256,923	250,729
Gladewater	2,465	2,509	2,510	24,306	26,670
Graham	1,978	2,237	1,927	20,639	20,800
Harlingen	5,256	5,097	5,351	51,489	49,876
Houston	234,913	225,642	241,289	2,152,105	2,026,381
Jacksonville	2,763	2,846	2,815	29,047	30,517
Kenedy	1,125	1,232	1,221	10,971	12,423
Kilgore	5,082	4,826	4,957	51,534	48,923
Longview	8,322	8,948	8,650	81,228	90,957
Lubbock	23,642	20,686	16,422	158,834	149,347
McAllen	3,710	3,429	3,596	43,677	37,819
Marshall	5,650	5,833	5,530	53,173	51,787
Palestine	4,882	4,340	5,964	47,453	47,623
Pampa	5,836	5,714	5,705	55,248	56,582
Paris	6,185	6,392	6,047	53,005	51,574
Plainview	3,941	3,702	3,639	86,925	35,798
Port Arthur	11,238	12,284	12,809	115,031	112,453
San Angelo	11,416	11,299	11,572	103,018	99,919
San Antonio	114,382	108,955	117,237	1,066,859	1,045,496
San Benito	2,515	2,546	2,582	*	*
Sherman	7,470	7,758	6,978	66,839	63,505
Sweetwater	4,831	4,576	4,090	43,419	42,416
Tyler	14,110	15,048	13,993	136,478	141,990
Waco	30,660	34,187	29,986	294,866	293,433
Wichita Falls	22,348	22,800	22,014	202,084	216,573
TOTAL	$ 1,328,510	$ 1,306,758	$ 1,280,884	$11,783,523	$11,417,394

*Not available.

NOTE: Compiled from reports from Texas chambers of commerce to the Bureau of Business Research.

CONSUMPTION OF ELECTRIC POWER IN TEXAS

Power Consumed

(In Thousands of K.W.H.)

	Sept. 1939	Sept. 1938	Aug. 1939	Year-to-Date 1939	Year-to-Date 1938	Percentage Change Sept., 1939 from Sept., 1938	Sept., 1939 from Aug., 1939	Year, 1939 from Year, 1938
Commercial	64,027	57,013	63,393	476,481	430,411	+12.3	+ 1.0	+10.7
Industrial	120,237	109,113	119,186	974,297	924,116	+10.2	+ 0.9	+ 5.4
Residential	43,710	39,096	41,391	341,681	306,502	+11.8	+ 5.6	+11.5
All Other	30,067	30,359	33,587	255,176	247,558	− 1.0	−10.5	+ 3.1
TOTAL	260,041	235,581	257,557	2,047,635	1,908,587	+10.4	+ 1.0	+ 7.3

NOTE: Prepared from reports from 14 electric power companies to the Bureau of Business Research.

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